



Los Angeles County AUDIT COMMITTEE

Genie Chough, Chair
3rd District
Lori Glasgow, Vice- Chair
5th District
Louisa Ollague
1st District
Gerardo Pinedo
2nd District
Carl Gallucci, Vice-Chair
4th District

MEETING MINUTES November 15, 2007

Genie Chough called the meeting to order at 1:40 p.m., in Conference Room 525, Kenneth Hahn Hall of Administration.

Committee Members Present

Louisa Ollague, First District
Gerardo Pinedo, Second District
Genie Chough, Third District
Lori Glasgow, Fifth District

Committee Members Absent

Carl Gallucci, Fourth District

Others in Attendance

Maria Oms, Auditor Controller
Jim Schneiderman, Auditor Controller
Don Chadwick, Auditor Controller
Carla Carr, Auditor Controller
Dana Blackwell, Deputy, Second District
Martin Zimmerman, Chief Executive Office (CEO)
Vincent Amerson, (CEO)
Lee Millen, Board of Supervisors
Juanita Smith, Board of Supervisors

Approval of Minutes

On motion of Gerardo Pinedo, seconded by Lori Glasgow and unanimously carried, the minutes of October 18, 2007 were approved.

Old Business

Board Policy Sunset Review – Policy 5.100 (11/29/06):

Martin Zimmerman, Chief Executive Office (CEO), reported on minor amendments made to Policy 5.100. The Internal Services Department has developed a checklist that the CEO's Office utilizes for sole source contracts; the checklist was briefly reviewed. Each County Department requesting Board approval of a sole source contract must include the checklist with their Board letter, and County Departments intending to negotiate sole source services contracts of \$250,000 or greater, must provide advance written notice to the Board of Supervisors; a copy would be forwarded to the Chief Executive Officer, indicating that sole source contract negotiations will begin within two weeks unless otherwise instructed by a Board office.

Mr. Zimmerman reported that the CEO's Office acknowledged the Committee's concerns regarding sole source contracts under \$250,000, and now require that each County Department Head report to the CEO's Office by June 30th of each year on those sole source contracts under \$250,000 executed on behalf of their department. Also, the CEO's Office will compile a sole source list for review by the Board of Supervisors.

Gerardo Pinedo concurred with the value of a checklist, and noted that it will streamline contract processing and improve timely work completion.

Mr. Pinedo expressed concern that the Department of Health Services (DHS) has a sole source contract on the November 20, 2007 Board of Supervisors' agenda, for approval based on an assumption by a DHS consultant that only one vendor is qualified to perform the scope of work requested. Mr. Pinedo advised that a Request for Information could have been issued.

In response to Gerardo Pinedo, Mr. Zimmerman advised that departments must provide the Board of Supervisors with advance written notification prior to initiating negotiations on contracts at/or greater than \$250,000. The Department must also provide justification to the Board, and any Board office can deny the request. However; if the CEO's office is aware of the Board's concern, it can intervene, and if justification is required the Department's request will be held in abeyance.

Mr. Pinedo noted the disparity in sole source processing protocol among County Departments. He recommended further discussion on this issue regarding the DHS' dependence on sole source contracts and the need to follow prescribed RFI and RFP business practices.

Mr. Zimmerman reported that the newly created Retroactive Contract Review Committee, comprised of the Auditor Controller, Internal Services, and the CEO's Office, is currently working with the DHS to implement some best practices to avoid retros.

Gerardo Pinedo requested that the issue of retroactivity and sole source contracts be agendized for discussion at the December 20th Audit Committee meeting. Mr. Zimmerman agreed to invite a DHS and CEO representative to attend the meeting.

On motion of Louisa Ollague, seconded by Gerardo Pinedo and unanimously carried, the Committee approved adding the Department of Health Services Sole Source Contracts and the issue of retroactivity, as an Agenda item at the December 20th Audit Committee meeting.

On motion of Louise Ollague, seconded by Gerardo Pinedo and unanimously carried, the Committee approved the minor Amendments included in Policy 5.100 and authorized the Chief Executive Office to forward a Policy directive to all County Departments.

Sunset Review of Board Policy 5.045 – Sheriff's Department Law Enforcement Services Contracts Review Policy (7/17/07):

Louisa Ollague reported that Vicki Santana, Deputy Sheriff, is working with Justice Deputies to develop an amendment to Sunset Review Board Policy 5.045. Also, Ms. Ollague inquired as to how the Los Angeles County Sheriff's Department changed the existing contract, and its ensuing impact on service delivery in the unincorporated areas.

Gerardo Pinedo requested that Lt. Mullen invite the Justice Deputies and Deputy Santana to the December 20th Audit Committee meeting for further discussion of Board Policy 5.045.

On motion of Genie Chough, seconded by Gerardo Pinedo and unanimously carried, the Committee continued this item to its December 20, 2007 Audit Committee meeting.

Department of Justice Settlement Agreement – July – August 2007 Monitoring Results (9/27/07): Maria Oms, Auditor Controller's Office, reported that the County will be in strong compliance in December 2009 with the Memorandum of Understanding (MOU). However, she advised there may be a problem with Juvenile Hall staffing, and the Department of Justice may take unofficial legal action and monitor camps as indicated in the MOU.

Dana Blackwell, Deputy, Second District, referred to a discrepancy in staffing standards interpretation required by the State and Federal Government, and the County Probation Department. Ms. Blackwell suggested a staff and ward data assessment to identify proper ratios.

Genie Chough reported that Carl Gallucci forwarded an e-mail indicating concurrence with approval of the Department of Justice Settlement Agreement. **On motion of Genie Chough, seconded by Louisa Ollague and unanimously carried, the Committee received and filed this report.**

Group Home Program Monitoring Report – Greene's Home For Boys, Incorporated – Greene's Home For Boys Group Home (10/2/07):

Carla Carr, Auditor Controller's Office, reported that the Group Home has implemented all of the recommendations. **On motion of Lori Glasgow, seconded by Louisa Ollague and unanimously carried, the Committee received and filed this report.**

Healthview Inc. dba Harbor View House Contract Compliance Review – A Department of Mental Health (DMH) service provider (10/4/07):

Don Chadwick, Auditor Controller's Office, reported that the Auditor Controller's Office will be issuing a Corrective Action Plan on 11/16/07. **On motion of Louisa Ollague, seconded by Gerardo Pinedo and unanimously carried, the Committee approved continuing this item to its December 20, 2007 Audit Committee meeting.**

South Bay Bright Future Foster Family Agency Contract Review – A Department of Children and Family Services Service Provider (10/4/07): **On motion of Lori Gasgow, seconded by Louisa Glasgow and unanimously carried, the Committee approved continuing this item to its December 20, 2007 Audit Committee meeting.**

Group Home Program Monitoring Report – Hart Community Homes, Incorporated – Prewitt and Brady Group Homes (10/4/07): Carla Carr, Auditor Controller's Office, reported that the Group Home has implemented all recommendations. However, court authorizations for psychotropic medications for children should begin this December. **On motion of Lori Glasgow, seconded by Louisa Ollague and unanimously carried, the Committee received and filed this report.**

Gay and Lesbian Adolescent Social Services, Inc. Contract Compliance Review – A Mental Health Service Provider (10/4/07): **On motion of Lori Glasgow, seconded by Louisa Ollague and unanimously carried, the Committee approved continuing this item to its December 20, 2007 Audit Committee meeting.**

West San Gabriel Valley Consortium dba Career Partners – El Monte Contract – A Department of Community and Senior Services Workforce Investment Act Program Provider (10/9/07): **On motion of Lori Glasgow, seconded by Louisa Ollague and unanimously carried, the Committee received and filed this report.**

Audit Plan for Fiscal Year 2007-2008: **On motion of Lori Glasgow, seconded by Louisa Ollague and unanimously carried, the Committee received and filed this report.**

West San Gabriel Valley Consortium dba Career Partners – Rosemead Contract – A Department of Community And Senior Services Workforce Investment Act Program Provider (10/12/07): **On motion of Lori Glasgow, seconded by Louisa Ollague and unanimously carried, the Committee received and filed this report.**

Pacific Clinics Contract Compliance Review – A Department of Mental Health Service Provider (10/15/07): **On motion of Lori Glasgow, seconded by Louisa Ollague and unanimously carried, the Committee received and filed this report.**

Group Home Program Monitoring Report – Drice House, Incorporated – Drice House Group Home (10/15/07): **On motion of Lori Glasgow, seconded by Louisa Ollague and unanimously carried, the Committee received and filed this report.**

Group Home Program Monitoring Report – M & R Group Home, Incorporated – Phillips Ranch Motivational Center And Walnut Group Home (10/15/07): **On motion of Lori Glasgow, seconded by Louisa Ollague and unanimously carried, the Committee received and filed this report.**

The Guidance Center Contract Compliance Review – A Department of Mental Health Service Provider (10/17/07): **On motion of Lori Glasgow, seconded by Louisa Ollague and unanimously carried, the Committee received and filed this report.**

Northeast Valley Health Corporation – A Department of Public Health HIV/AIDS Preventive Care and Care Services Provider (10/19/07): **On motion of Lori Glasgow, seconded by Louisa Ollague and unanimously carried, the Committee received and filed this report.**

Audit of the Los Angeles County Treasury and Review of the Treasury Oversight Committee's Compliance with Government Code Requirements for the Year Ended June 30, 2005 (10/19/07): **On motion of Lori Glasgow, seconded by Louisa Ollague and unanimously carried, the Committee received and filed this report.**

Group Home Program Monitoring Report – Children's Homes of Southern California – Baird, Runnymead, Shoup, Valerio and Victory Group Homes (10/23/07): **On motion of Lori Glasgow, seconded by Louisa Ollague and unanimously carried, the Committee received and filed this report.**

Group Home Program Monitoring Report – Deliann-Lucile, Incorporated – Delilu Achievement Group Home (10/23/07): **On motion of Lori Glasgow, seconded by Louisa Ollague and unanimously carried, the Committee received and filed this report.**

Group Home Program Monitoring Report – The David and Margaret Home – Main Campus and Wenwood Group Homes (10/23/07): **On motion of Lori Glasgow, seconded by Louisa Ollague and unanimously carried, the Committee received and filed this report.**

Department of Justice Settlement Agreement – September 2007 Monitoring Results (10/30/07): **On motion of Lori Glasgow, seconded by Louisa Ollague and unanimously carried, the Committee received and filed this report.**

Proposition A Contract Analysis – Agenda Item 19 – November 6, 2007 (11/1/07): **On motion of Lori Glasgow, seconded by Louisa Ollague and unanimously carried, the Committee received and filed this report.**

Group Home Program Monitoring Report – Children’s Therapeutic Communities, Incorporated – Rho, Alpha, Beta, Chi, Gamma, Omega, Sigma, Eta, Theta, Kappa and Delta Group Homes (11/6/07): **On motion of Lori Glasgow, seconded by Louisa Ollague and unanimously carried, the Committee received and filed this report.**

Group Home Program Monitoring Report – Ettie Lee Youth and Family Services – John Eccles, Mt. Jurupa, North Hollywood, Oak Knolls and Waterflow Ranch Group Homes (11/6/07): **On motion of Lori Glasgow, seconded by Louisa Ollague and unanimously carried, the Committee received and filed this report.**

Group Home Program Monitoring Report – Renaissance Unlimited Group Homes, Incorporated – Renaissance I and II Group Homes (11/6/07): **On motion of Lori Glasgow, seconded by Louisa Ollague and unanimously carried, the Committee received and filed this report.**

Review of the Treasury’s Statement of Net Assets for the Quarter Ended December 31, 2006 (11/8/07): **On motion of Lori Glasgow, seconded by Louisa Ollague and unanimously carried, the Committee received and filed this report.**

Sunset Review for the Los Angeles County Commission on Judicial Procedures (11/8/07): **On motion of Lori Glasgow, seconded by Louisa Ollague and unanimously carried, the Committee continued this item to its December 20, 2007 Audit Committee meeting.**

Group Home Program Monitoring Report – Fred Jefferson Memorial Home For Boys, Incorporated – Denker and Compton Group Homes (11/8/07): **On motion of Lori Glasgow, seconded by Louise Ollague and unanimously carried, the Committee received and filed this report.**

Follow-Up Review of County Counsel Litigation Cost Management – Response to County Counsel’s Response (11/1/07): **On motion of Louisa Ollague, seconded by Gerardo Pinedo and unanimously carried, the Committee received and filed this report.**

Department of Children and Family Services – Procurement Review (Phase II) (11/6/07): **On motion of Louisa Ollague, seconded by Gerardo Pinedo and unanimously carried, the Committee received and filed this report.**

Public Comment

There was none.

Other Business

Reorganization of Audit Committee:

Nominations for Chair were opened. Lori Glasgow nominated Gerardo Pinedo for Chair. Nominations were closed.

On motion of Lori Glasgow, seconded by Louisa Ollague and unanimously carried, Gerardo Pinedo was appointed Chair effective December 1, 2007.

Nominations for Vice-Chair were opened. Lori Glasgow nominated Carl Gallucci for Vice-Chair. Nominations were closed.

On motion of Lori Glasgow, seconded by Louisa Ollague and unanimously carried, Carl Gallucci was appointed Vice-Chair effective December 1, 2007.

Adjournment

There being no further business to conduct, the meeting was adjourned at 2:38 p.m.